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BC STATS
Service BC
Ministry of Labour and Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca | Issue 07-28 | July 13th, 2007

- **Exports slip 6.2% in May, offsetting a similar increase in April**
- **Investment in non-residential buildings continues to climb**
- **One in three British Columbia households use bottled water**

The Economy

- **Exports of BC products slipped 6.2% (*seasonally adjusted*) in May, offsetting a similar increase (+6.3%) in April.** Shipments were down across all major commodity groups. Exports of machinery & transportation equipment (-11.4%) saw the most significant drop, but in dollar terms, the biggest decline was in international shipments of forest products (-7.5%), which account for about 37% of the total value of BC product exports.

  Exports to the United States fell 5.4%, reflecting declines in every major commodity group. Shipments of industrial & consumer goods south of the border tumbled 8.0%, and energy (-7.5%), forestry products (-4.6%) and machinery, equipment & automobiles (-4.0%) were all lower in May. International exports to countries other than the US were also down (-7.5%) more or less across the board (energy exports overseas, which were up 3.3%, were the lone exception to the general downturn).

  At the national level, goods exports in May slipped (-1.2%) for the second straight month, after having reached a record high in March. Forestry (-3.8%), automotive (-5.8%) and agriculture & fishing (-6.9%) products were among the commodities pulling exports down. Canadian exports to the US (-1.0%), Japan (-4.3%) and the European Union (-5.7%) were all down in May. *Data Sources: BC STATS & Statistics Canada*

- **Investment in non-residential building construction in British Columbia jumped 4.1% (*seasonally adjusted*) in the second quarter, marking the tenth consecutive quarterly increase.** Spending on industrial buildings led the growth (+18.1%), followed by the commercial sector (+6.1%), but there was a slowdown in institutional & government investment (-3.6%). Non-residential building construction activity in Vancouver and Kelowna (each up 6.5% from the previous quarter) continued to increase, but Victoria (-2.6%) and Abbotsford (-15.5%) saw declines.

  Among the provinces, Alberta (+11.1%) and Newfoundland & Labrador (+9.7%) saw the biggest increases in non-residential building activity, while Quebec (+4.3%), Ontario (+4.1%) and BC (+4.1%) also made solid gains. Canadian spending rose 5.0%, reaching $9.9 billion. Investment in non-residential building construction has been on the rise in Canada since the second quarter of 2003. *Data Source: Statistics Canada*

- **The cost of new housing in both of BC's largest metropolitan areas rose in May.** Home builders in Vancouver received an average of 8.8% more for their projects, while in Victoria, new housing prices were just slightly higher than in the same month of 2006 (+0.3%). Although building prices in the capital city were considerably lower (-7.1%) than in November of last year, rising land prices (+12.9%) managed to offset the decline. In Vancouver, on the other hand, the increase in the cost of houses (+11.6%) far outpaced that of land (+3.5%).

  Nationally, the cost of new housing advanced 8.6% during the twelve-month period ending in May. With the exception of Windsor (-1.0%), all 21 metropolitan areas surveyed showed increases in the cost of new housing. Compared to a year earlier, the cost of new housing is skyrocketing in Saskatoon (+38.6%), Edmonton (+37.0%), Calgary (+22.0%) and Regina (+21.6%). In other parts of the country, in-

Report

British Columbia's Labour Force and Participation Rate Projections to 2031

Did you know...
Canadians drank an average of 52 litres of tea, both hot and iced, in 2006
Data source: Statistics Canada

creases were considerably lower, ranging from +0.6% in Saint John/Fredericton/Moncton to +7.1% in Halifax. *Data Source: Statistics Canada*

Abortions

- **A total of 14, 145 abortions were performed on BC women during 2004, significantly less (-8.7%) than in the previous year, when 15,495 abortions were recorded.** One in four pregnancies were terminated (there were 34.9 abortions for every 100 live births in the province, down from 38.3 in 2003). Girls under the age of 15 were the most likely to have abortions (1,750 per 100 live births), as were those aged 15 to 19 (192.7). Among young women aged 20 to 24, the rate was 69.8. Women aged 30 to 34 were the least likely (15.9) to have an abortion.

  Nationally, the number of abortions fell 2.9% to 100,039, with six provinces reporting fewer abortions during 2004. The Canadian abortion rate also declined, falling from 31.0 (per 100 live births) to 29.7. *Data Source: SC, Catalogue 82-223-XIE*

Smoking

- **Fifteen percent of Canadian teens aged 15 to 19 reported smoking regularly or occasionally in 2006, down from 18% in 2005.** Young women accounted for much of the decline, with smoking rates for girls in this age group slipping from 18% to 14% between 2005 and 2006. Smoking prevalence among young men of the same age (16%) was also lower than in 2005 (18%). The Canadian Tobacco Use Monitoring Survey (CTUMS) reports that trends in overall smoking rates for Canadians remained relatively constant (19% aged 15 and over) last year. For the third year in a row, BC recorded the lowest rate of smokers aged 15 and over (16%) in the country. *Data Source: Statistics Canada*

Water

- **One in four (23%) British Columbian households primarily drank bottled water rather than tap water in 2006.** This percentage was significantly lower than the Canadian average (29%). In fact, among the provinces, BC recorded the highest proportion of households who drank only tap water (67%) last year. Bottled water was most popular in New Brunswick (37%) and Newfoundland & Labrador (35%). BC's largest metropolitan areas differed slightly in their water consumption habits, with more Victoria residents getting their drinking water from the tap (74%) than Vancouverites (67%). *Data Source: Statistics Canada*

- **The proportion of British Columbian households that use water conservation devices has been on the rise over the past decade.** Over half (56%) of BC households reported having a water-saving showerhead in their homes last year, up significantly from 1994 (43%). Similarly, in 1994, just 16% of BC homes used a water-saving toilet. Last year, the proportion reached 37%. Usage of water conserving devices has climbed in all provinces. In 2006, households in Quebec were the most likely to use a water-saving shower head (66%), while those in Ontario were the most likely to have a water-saving toilet (45%). *Data Source: Statistics Canada*

Work Injuries

- **Four percent of the workforce, 5% of men and 2% of women, had suffered at least one on-the-job injury at the workplace in 2003.** Injuries, not surprisingly, were more common in blue-collar job than in white-collar jobs. Nearly a tenth (9%) of workers in the trades, transportation and equipment operation were injured on the job. This is nearly four times the rate of injury (2%) amongst those employed in business, finance, administration, education, and religion.

  Men that worked between 45 and 79 hours each week were 40% more likely to suffer injury, while those working 80 hours or more each week were twice as probable to be injured. The odds of injury for women were not affected by the number of hours worked each week.

  Women who considered their occupation to be 'extremely stressful' were three times more likely to suffer an on-the-job injury than women who perceived their job to be less stressful. Among men, there was no relationship between the stress level of a job and the likelihood of injury. *Data Source: Statistics Canada*

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Infoline Report

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Originally published in
Business Indicators Issue 07-06

British Columbia's Labour Force and Participation Rate Projections to 2031

In the coming years, one of the most important issues facing the labour market will be the ageing and retirement of baby boomers. This aging of baby boomers, coupled with low fertility rates in B.C., implies an overall aging of the population. For the labour force, this older population will put downward pressure on the overall labour force participation rate, and continue to change the characteristics of the workforce towards that of an older average worker. These changes have implications not only for labour markets, but also for tax revenues and some government health and social welfare programs.

Fertility rates in Canada and B.C. are below replacement level. These low rates have resulted in low growth in population for younger age groups and will continue into the future, implying that the number of youth joining the labour force in the years to come will remain roughly at current levels in B.C.. Interprovincial and international migration to B.C. will supplement the population of younger and middle aged working age groups. However, given current levels of net migration, in-migration is not expected to counter-act the general ageing of the population in B.C..

Changes in the underlying age and sex specific labour force participation rates, however, can influence the impact this ageing will have on the labour force. In general, the participation rates of older workers have increased in B.C. over the past few years. The rates of females have continued to increase across all age groups. The rates of younger males have increased due to the recent healthy labour market, while the rates of middle aged men have remained steady or continued their slight decline. In this Business Indicators issue, projections of B.C.'s labour force participation rates to 2031, and the impact these rates and the ageing of the population will have on the overall labour force is discussed.

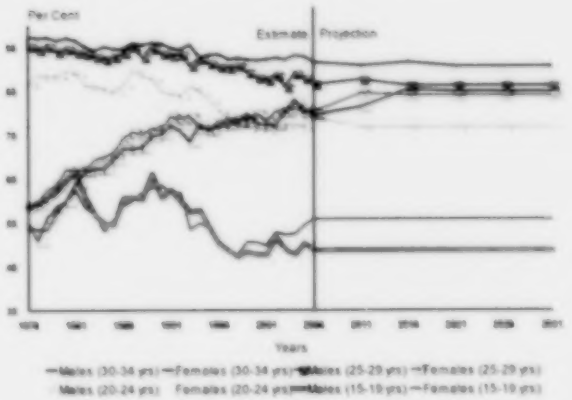
Definition:

The **labour force** is defined as the number of people 15 years or older who are employed or actively looking for work. The **labour force participation rate** is the per cent of the total non-institutionalized 15 years and older population who are in the labour force.

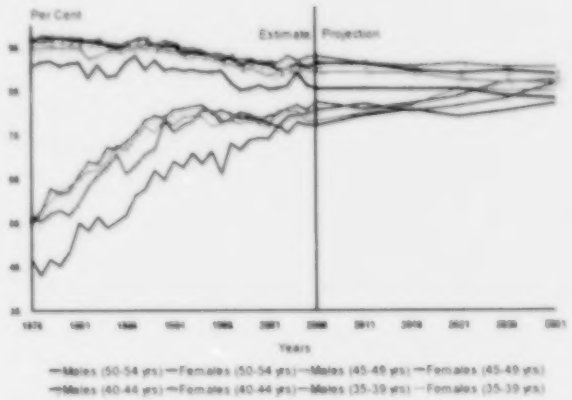
Labour Force and Participation Rate Projections

Projections of the size and age composition of the labour force involve both projections of the underlying population, and overall labour force participation rates. The B.C. population is projected using a cohort component method. Assumptions on fertility and migration reflect current trends for the province. Five year age group[1] and sex specific labour force participation rates were projected here using data from Statistics Canada's Labour Force Survey[2], and an entry and exit rate method developed by researchers at the O.E.C.D.[3]. This method calculates, for each five-year age group, the entry rate or the proportion of the age group who entered the labour force who had not already entered, over the five year (2001-2006) period. Exit rates are calculated as the proportion of each five-year age group that left the labour force over the five-year period. These entry/exit rates were held constant at their most recent 2001-2006 values and applied to the age and sex specific 2006 labour force participation rates to obtain projected rates for 2011, and subsequently for the years 2016, 2021, 2026 and 2031[4].

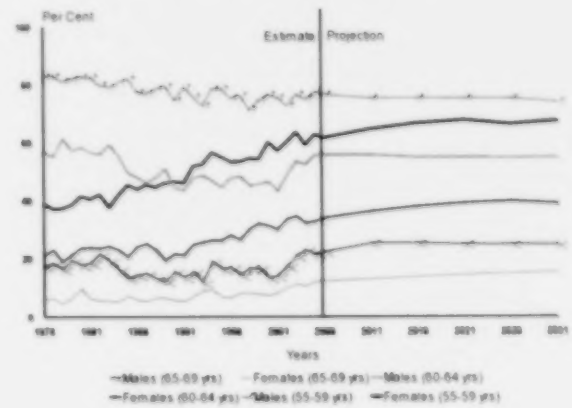
Male and Female LFP Rates - 15 to 34 Year Olds



Male and Female LFP Rates - 35 to 54 Year Olds



Male and Female LFP Rates - 55 to 69 Year Olds



[1] The projected five year age group rates are those for 15 to 19 year olds, to 65 to 69 year olds. The rate for those 70 years and older is held to its most recent value.

[2] Labour Force Survey, Statistics Canada. 2006 Annual CD (Catalogue # 71F-0004-XCB)

[3] Burniaux et al. "Coping with Ageing: A Dynamic Approach to Quantify the Impact of Alternative Policy Options on Future Labour Supply in OECD Countries." OECD Economics Department ECO/WKP(2003)25. June 2004

[4] For more information on these projections and the methodology and assumptions used to produce B.C. level population projections, please see the BC Stats website.

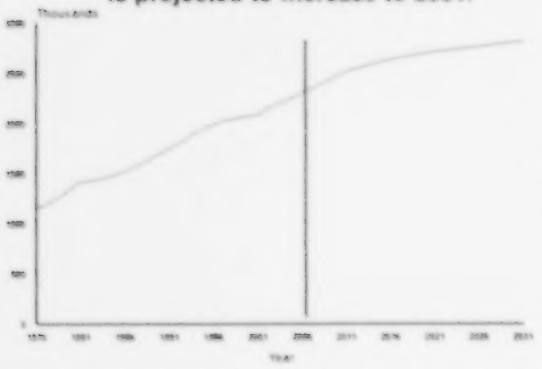
Recent Trends

Recent trends in the age and sex specific labour force participation rates persist in the projection. Namely, the age specific rates of females continue to increase, as do the rates of older workers in general. The age specific rates of middle aged males continue to decline slightly as they have recently, while the rates of the youngest age group are held to their most recent values.

The Overall 15 Years and Older Labour Force and Participation Rate

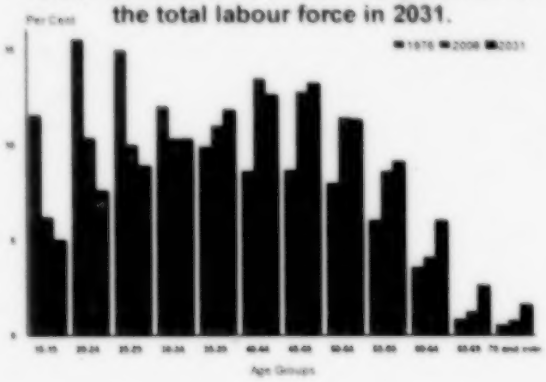
Applying these age and sex specific rates to the projected populations for B.C. results in a projected total labour force. The absolute size of the total B.C. labour force is expected to continue to grow in the coming decades. The labour force is projected to grow from its 2006 estimated level of 2,305,100 persons to approximately 2,753,000 persons in 2031.

The size of British Columbia's labour force is projected to increase to 2031.



Older workers are projected to hold a higher proportion of this expanding total labour force by 2031. The share of individuals aged 55 years and older in the total labour force is projected to increase from 14 per cent in 2006 to 19 per cent by 2031. This higher projected proportion reflects the aging of the baby boomers and also current B.C. fertility rates which will hold the number of youth (25 years and younger) joining the labour force approximately to current levels in the coming years.

Older individuals will hold a larger share of the total labour force in 2031.



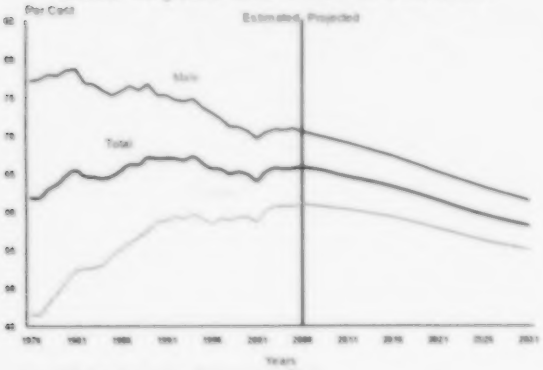
Finally, the overall labour force participation rate in B.C. is projected to fall from its 2006 value of 65.7 to 58.7 per cent by 2031. This is broadly in line with labour force projections recently produced by Statistics Canada[5]. The overall rate for males continues its recent decline and is projected to fall 9 percentage points from its 2006 rate of 70.4 per cent to 61.6 per cent in 2031. The overall rate of females is projected to decline by about 5 percentage points from the 2006 rate of 61 per cent despite higher projected age specific rates.

[5] Martel et al. "Labour Force Projections for Canada 2006-2031". Canadian Economic Observer. Statistics Canada. June 2007. This article presented a projected range for the 2031 overall labour force participation rate for B.C. of 56.3 to 58.6 per cent based on slightly different population and labour force participation rates assumptions and projection methods.

Conclusion

The labour force and participation rate projections presented here highlight several currently occurring and forthcoming trends. First, British Columbia's labour force is projected to continue to experience healthy growth in absolute terms while second, it continues to evolve towards that of an older average worker. Finally, unless there is a dramatic shift in the labour market attitude of older workers, the overall labour force participation rate is projected to drop in the years to come as the population ages into those age groups with lower age specific rates.

The overall labour force participation rate of those 15 years and older falls to 2031.



In the face of forecasts of labour shortages in the years ahead, policies geared towards retaining older workers need to be considered. Recent changes to mandatory retirement laws, pension access rules that allow for continued work attachment, and the adoption of more flexible work arrangements reflect changing attitudes towards older workers. Further, recent increases in the labour force participation rate of older workers may suggest changing attitudes among workers towards retirement, increasing the potential to retain workers from what will continue to be a key demographic group for B.C.

For a more detailed look at British Columbia's labour force participation rate and population projections, please refer to British Columbia's Labour Force Participation Rate Projections to 2031 and British Columbia Population Projection (Projection 06/12) available on the BC Stats Population Section webpage:

www.bcstats.gov.bc.ca/data/pop/method.asp

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Apr	3,530	2.2
Merchandise Exports - May	2,807	-6.2
Retail Sales - Apr	4,707	1.5
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - May 2007)		
BC	1.7	1.8
Vancouver	2.0	2.2
Victoria	0.9	1.5
Canada	2.2	1.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jun '07	prev. month
Labour Force - BC	2,365	0.1
Employed - BC	2,260	-0.1
Unemployed - BC	105	5.9
		May '07
Unemployment Rate - BC *(percent)*	4.4	4.2
Unemployment Rate - Canada *(percent)*	6.1	6.1
INTEREST RATES (percent)	Jul 11/07	Jul 12/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.60
- 5 year	7.24	6.95
US/CANADA EXCHANGE RATE	Jul 11/07	Jul 12/06
(avg. noon spot rate) Cdn $	1.0558	1.1355
US $ *(reciprocal of the closing rate)*	0.9489	0.8816
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jun '07	one year ago
BC	740.27	2.4
Canada	749.92	3.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

High Technology Sector—2006

The high technology sector is a growing part of British Columbia's diverse economy, offering the prospect of strong economic growth in the years to come, as well as a local source of technology inputs to the province's resource-based industries.

Our latest *Profile* and *Input Indicators* reports are now available.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC STATS

- Exports, May 2007

• Next week

- 2006 Census, Age & Sex: Tuesday July 17
- Consumer Price Index, June 2007

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